
United States Standard General Ledger (USSGL)

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Purpose and Structure

Purpose: Provide a uniform chart of accounts to be used to standardize federal agencies accounting and to support the preparation of the standard external reports.

Structure: The USSGL incorporates both the proprietary and budgetary accounts.



USSGL and the Central Data Base

The USSGL chart of accounts was implemented in the Central Data Base (CDB) October 1, 2000

- CDB uses a standard USSGL chart of accounts to produce reports for our Navy Working Capital Fund customers, Air Force Working Capital Fund customers and our Defense Working Capital Fund customers.
- Successfully generated October 2000 financial statements and budgetary reports using the standardized USSGL chart of accounts.



Net Operating Results

Net Operating Results (NOR) is the residual between the revenues earned for providing a good or service to a customer less the costs incurred to provide the goods or services.



Accumulated Operating Results

Accumulated Operating Results (AOR) is the difference, since the inception of the business activity, between expenses, losses, revenue, gains, other financing sources and prior period adjustments.



Calculation of AOR and NOR

- Accurate calculation of both AOR and NOR is essential for budget formulation and submission
- Prior to implementation of the USSGL, the accounts that influenced NOR and AOR were very strictly defined



Account Structure - Equity

- Under the DoDSGL account structure, equity was comprised of several accounts
- Under the USSGL account structure, equity is comprised of one account

Accumulated Operating Results (USSGL 3310)



Account Structure - AOR

Prior to USSGL

Invested capital - \$5K

Reserves - \$3K

AOR - \$2K

Total - \$10K

Post USSGL

Does not exist

Does not exist

AOR - \$10K

Total - \$10K

AOR Rule: No adjustments will be made to AOR (USSGL Account 3310) through direct postings. AOR is only adjusted at year end closing when Revenue, Expenses, Other Financing Sources, Gains, Losses, and Prior Period Adjustments are closed.



Evaluating the AOR Balance

- The AOR balance contains other transactions that were not considered AOR prior to the USSGL implementation.
- The task of evaluating the performance of a business activity and setting rates became more difficult.
- Due to no direct postings into AOR (USSGL 3310), all transactions will have to flow through the other financing source accounts.



Impacts on NOR

- Other financing sources accounts will have an impact on NOR for AR(M)1307 and F&O statement reporting.
- Navy management commands may have some activities using the USSGL and others using DONIBIS.
 - **Performance evaluation becomes more complex**
 - **Invested Capital Accounts vs Other Financing Sources Accounts**



Account Structure - NOR

	Activity A <u>DONIBIS</u>	Activity B <u>USSGL</u>
Beg. AOR	\$ 0	\$ 0
Revenue	5,000,000	5,000,000
Expense	(4,900,000)	(4,900,000)
Transfer In	250,000	250,000
NOR	100,000	350,000
Net position on the balance sheet or statement of financial position		
AOR	100,000	350,000
Transfers In	250,000	0
Net position	350,000	350,000



Impacts on Reporting

- The Audited Financial Statements are not impacted.
- AR(M)1307, Monthly Accounting Statement
 1. Statement of Financial Position
 - a. Line 15C, AOR
 - b. Note 3. Reconciliation of Recoverable/Non-Recoverable Operating Results



Impacts on AR(M)1307

2. Statement of Operations, Part 1
 - a. Line 3, Other Financing Sources
 - b. Line 4, Total Revenue and Financing Sources
 - c. Line 11, Revenue less Costs
 - d. Line 13, NOR
Line 15, Recoverable Operating Results
3. Changes in Equity, Part 2
 - a. Line 1B, AOR
4. Recoverable Operating Results, Line 1A
NOR



Impacts on F&O Statements

Finance and Operating Statements

- Exhibit A1, Analysis of Capital
- Exhibit B, Statement of Revenue and Cost



Understanding the USSGL

- Understanding the changes in NOR
- Understanding the impact on AOR
- Understanding proprietary/budgetary accounting



USSGL Challenges

Obtaining decisions from OUSD(C) on how DON can best accommodate utilization of the USSGL for management reporting purposes.

- AOR recoverable/non-recoverable
- Developing a new and more meaningful AR(M)1307
- Keeping standardization among all the USSGL submitters (DIFMS, DWAS, ERP, MSC-FMS, MFCS)

